



Manufacturing Survey

Tenth District Manufacturing Activity Declined Slightly

by:

October 27, 2022

Regional factory activity declined slightly in October. Indexes fell considerably for production, shipments, and new orders; however, firms still reported slight gains in employment.

Factory Activity Declined Slightly

Tenth District manufacturing activity declined slightly, and expectations for future activity also decreased (Chart 1, Tables 1 & 2). The monthly index of raw materials prices slowed in October and continued to decrease compared to a year ago. Finished goods price indexes decreased slightly from a month ago and compared to year-ago levels. Expectations for future raw materials and finished goods prices also slowed moderately.

The month-over-month composite index was -7 in October, the lowest composite reading since May 2020, and down from 1 in September and 3 in August (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The slower pace in factory growth in October was driven by decreased activity in computer and electronic, wood, primary metals, and plastics and rubber manufacturing. Most month-over-month indexes decreased in October, except for supplier delivery time and finished goods inventories.

Year-over-year factory indexes continued to decrease in October, and the composite index slowed from 30 to 24. The future composite index dropped from 9 to -1 in October, with the future production, new orders, order backlog, employee workweek, new orders for exports, supplier delivery time, and finished goods inventories indexes also moving into negative territory.

Special Questions

This month contacts were asked special questions on changes in their workforce and investments compared to pre-pandemic. In October, 65% of firms reported devoting significantly or slightly more resources to training workers in order to meet skill requirements, while 33% reported no change (Chart 2). Due to labor shortages, 36% of firms reported investing or planning to invest in labor-saving automation strategies at a faster pace than in the past. On the same questions, 28% percent of firms invested or planned to invest similar to the past and about 25% of firms reported not investing in labor-saving technology (Chart 3).

Selected Manufacturing Comments

"Prices paid for commodities still through the roof. No relief in sight. Labor is still hard to find. Economy is still decent - lots of

future growth opportunities sitting out there - but they will be hard to support with labor market."

"Overall workforce remains good. A second all-employee salary increase occurred in September which is over and above

normal raises."

"We are promoting productivity and efficiency. As I said, doing more with less. We are getting a good response from our

workforce."

"Supply chain is better, overseas shipments are cheaper and faster, helping reduce prices paid for materials."

"We are still struggling with finding competent and reliable employees. It is severely inhibiting our ability to expand our

operations."

"We do not have the capital available for automation. We are concentrating more on our inventory availability."

Survey Data

Current Release

Historical Monthly Data

Historical Quarterly Data

About Manufacturing Survey